India Will Build A Strategic Waterway

by Ramtanu Maitra

On July 2, 2005, after years of deliberations, Indian Premier Manmohan Singh inaugurated the Sethusamudram Ship Canal project, to deepen the Indian side of the Palk Strait that separates India from Sri Lanka. The Sethusamudram project envisages linking the Arabian Sea with the Bay of Bengal, which is north of Sri Lanka, thereby creating a navigable canal across the Gulf of Mannar, Palk Bay, and the Palk Strait. This will allow ships sailing between the east and west coasts of India to have a straight passage through India's territorial waters, instead of having to go around Sri Lanka.

After the canal is constructed, the distance between coastal towns of Cape Camorin (Kerala) in the southwest and Chennai (formerly Madras) on the southeast coast will be reduced to 402 nautical miles, from the present 755. Furthermore, the canal will considerably reduce the distance between the east and the west coasts, reducing travelling time by 36 hours, by avoiding circumnavigation of ships around Sri Lanka, thereby resulting in savings in fuel costs and standing charges associated with the extra time period of the voyages. The canal will make coastal shipping operations between the east and west coasts more competitive. The greatest beneficiary of the project will be Tuticorin's harbor, which has the potential to be transformed into a transshipment hub like those of Singapore and Colombo. The town of Tuticorin, which lies near the Gulf of Mannar, is situated on the southeast coast, about 600 km (373 miles) from Chennai. The project will also help in the development of the proposed 13 minor ports in Tamil Nadu.

The waterway project enjoys the strong backing of India's big industries. For instance, Southern Petrochemical Industries Corporation, Limited (SPIC); Sterlite Industries (India), Limited; Dharangadhara Chemicals, Limited, the Heavy Water Plant of the Department of Atomic Energy, and the Tuticorin Thermal Power Station are located in Tuticorin. While the Tuticorin Thermal Power Station receives coal through the Tuticorin port, Sterlite Industries imports copper concentrate and rock phosphate though the port for its copper smelting unit. SPIC imports rock phosphate, phosphoric acid, furnace oil, and so on

Aside from its obvious merits, the Sethusamudram project cannot be viewed in isolation. It is part of India's strategic move to have direct access to the Arabian Sea, through which a large number of tankers carry oil from the Middle East to East and Far East Asia, and beyond. The Indian Navy is simultaneously setting up the Far Eastern Naval Command (FENC) off Port Blair in the Andaman Islands—also known as the Bay Islands, located midway between the Bay of Bengal and the Malacca Strait—to give it "deep-sea" status. It is evident that New Delhi believes that the new strategic command will remain vulnerable unless the entire Andaman Sea is brought under the full control of the Indian Navy, and direct access becomes available through the Palk Strait. As one foreign military analyst pointed out, the Sethusamudram sea bypass might divert one of the world's busiest sea-lanes into India's strategic stranglehold.

Strategic Positioning

All the oil supplies to Southeast and East Asia that originate in the Middle East, are shipped from ports in the Red Sea or the Persian Gulf. The sea-lanes from there converge in the Arabian Sea, and then pass through the Gulf of Mannar and veer off the western, southern, and southeastern coast of Sri Lanka.

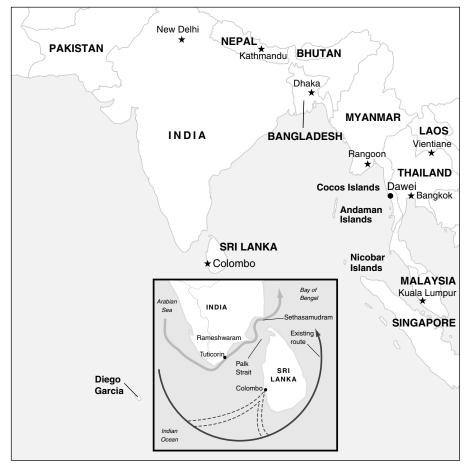
This sea-lane then turns northeast through the Bay of Bengal towards the Malacca Strait. Eighty percent of Japan's oil supplies and 60% of China's oil supplies are shipped on this sea-lane. Almost half of the world's container traffic passes through the choke points of this sea-lane and its branches in the Indian Ocean. The Malacca Strait is the second busiest sea-lane in the world. Most of the ships approach the Malacca Strait through the 10-degree channel, which bisects the Andaman Islands from the Great Nicobar Islands. It is important to note that the Indian Navy has accepted responsibility for patrolling the Malacca Strait to keep it free of pirates and smugglers.

Slated to be one of the largest naval bases in the world, FENC will have a state-of-the-art naval electronic warfare system that can extend up to Southeast Asia. Also, the Russian Navy will likely assist in setting up a few armament projects. Submarines moving up to 300 km (186 miles) out to sea will necessarily blip on screens in the command. The subs will be armed with land-based—and someday, nuclear-tipped—missiles. The base's upgraded naval ship repair yard at Port Blair already refits minor war vessels. FENC will build and repair bigger ships. There are also reports that FENC will harbor a significant number of Unmanned Aerial Vehicles (UAVs)—also known as "drones."

India has long neglected its Navy and coastal security. Obsessed with threats posed by Pakistan since independence, the Indian defense relied heavily on its army and air force. But, with the advent of the Rajiv Gandhi government in the mid-1980s, India, for the first time, took a serious look at developing its navy to enhance its trade and security.

On the other hand, the Andaman and Nicobar islands had long been conceived as forward bases to compensate in some way for India's lack of a deep-sea fleet. Although it was the late Rajiv Gandhi who shifted India's military budget rapidly to advance the Navy, two events in the 1970s had staggered

EIR November 11, 2005 Economics 63



The Sethusamudram Ship Canal will cut the travel time between India's east and west coast by 36 hours.

New Delhi. One was the acquisition of Diego Garcia by the U.S. Pacific Command, and the other was President Nixon's decision to send the aircraft carrier *USS Enterprise* to the Bay of Bengal in December 1971, to express Washington's support for Pakistan during the Bangladesh Liberation War.

Andaman at the Heart

These events forced New Delhi to take measures which could eventually secure the vital Andaman Sea lanes. India signed the first agreement with Indonesia in 1974, which settled the boundary between the Great Nicobar and Sumatra islands. In 1977, the boundary line was extended both into the Indian Ocean and into the Andaman Sea by another agreement. In the same year, the boundary between India and Thailand in the Andaman Sea was negotiated, and an agreement was signed in June 1978, which entered into force in December 1978. In February 1978, the tri-junction point between India, Indonesia, and Thailand was settled at an official level in Jakarta. The maritime boundary agreement with Myanmar was ratified in 1987.

But beyond Diego Garcia and the rude American intrusion into the Bay of Bengal in 1971, the Andaman Islands had long

been identified as a crucial security issue. During negotiations for India's independence, the Muslim League, which led the movement for the formation of Pakistan, had demanded that the Andaman Islands should be an integral part of Pakistan for geographical and strategic reasons. At the time, it was known that Pakistan would have two parts— West Pakistan and East Pakistan. The League authorities, with the obvious support of Whitehall in London, had expressed fear that if India controlled the islands and the vital sea lanes, India could prevent Pakistani ships from sailing from West Pakistan to East Pakistan. It must also be pointed out that sections in the British Defense establishment had openly advocated keeping the islands detached from India. They wanted the Andaman and Nicobar islands to be made into a separate Crown Colony (like Hong Kong at the time), which would safeguard the strategic interests of the post-World War II restructured British Empire.

The responsibility for the security of the Bay of Bengal, including the Andaman and Nicobar islands, and also for the waters extending to

the six littoral states in the region—Bangladesh, Myanmar, Thailand, Malaysia, Indonesia, and Sri Lanka—was vested for a long time with the Indian Navy's Eastern Naval Command, based in Visakhapatnam.

In August 1998, New Delhi decided to establish a Far Eastern Marine Command at Port Blair in Andaman, independent of operational control from Visakhapatnam. That idea was later modified in favor of a Joint Service Command in October 2001. The Command will be headed by the three Services in rotation and will function directly under the Chief of Defense Staff of the Indian armed forces.

The Waterway

The waterway, marked as the ship lanes through the Palk Strait, is envisaged to be 260 km (165 miles) in length and 300 meters (about 1,000 ft) wide. The canal has been assessed at various depths, but is likely to be 14.5 meters deep (about 48 feet), allowing the passage of ships with a draught of up to 12.8 meters, including bulk carriers of 65,000 dead weight tons (DWT), 240 meters in length overall and 33 meters beam, and container vessels of 56,000 DWT, 290 meters length overall and 32.2 meters beam. To create this passage, two

64 Economics EIR November 11, 2005

channels will have to be dredged, one across Adam's Bridge, the chain of islets and shallows linking India with Sri Lanka, just southeast of Pamban Island, and another through the shallows of Palk Bay, deepening the Palk Straits. The total length of these two channels will be 89 km (155 miles). The initial excavations will produce in excess of 80 million cubic meters of dredged silt and sand, and subsequent maintenance dredging to keep the passage open will require 100,000 cubic meters of silt to be removed per year.

Back in 1976, Sri Lanka and India reached an agreement dividing the sea between the two countries. One premise of the agreement was that there would be no international shipping in the Strait. Sethusamudram will be a cut through the Indian side of the Strait. Nonetheless, the project has drawn opposition from various non-governmental organizations (NGOs) based in India and Sri Lanka. Although the National Environmental Engineering Research Institute (NEERI), in

Developing Cooperative Alliances in the Region

Last year, India reached an agreement with Myanmar, signed in Yangon by the foreign ministers of India, Myanmar and Thailand, to develop transport linkages between the three countries. When complete, the 1,400-kilometer road corridor will be a highway of friendship linking the peoples of South and Southeast Asia.

India's plan to build a deep-sea port in Dawei, Myanmar, together with the new highway connecting it to Kanchanaburi in Thailand, will no doubt contribute further toward closer trade and commercial links between the two regions.

Dawei, the capital of Tanintharyi division, is on a long, narrow coastal plain (bounded by the Andaman Sea in the east), which runs to Kawthaung, the southerly-most point of Myanmar, and which then continues to the Malay Peninsula. Building Dawei port has a direct security angle for the Indian Navy's ambitious Far Eastern Naval Command (FENC) project at Port Blair. FENC will extend the navy's nuclear/strategic combat capability and aid in getting it deep-sea status. Dawei is located across the Andaman Sea on the Myanmar coast almost facing the FENC. India has another, more specific economic interest in Dawei port.

Last January, India reached agreement in principle with Myanmar and Bangladesh on the construction and operation of a pipeline that will bring natural gas from Myanmar to India via Bangladesh, according to reports by the Alexander Gas & Oil company newsletter.

Nagpur, prepared a full-fledged environmental impact assessment report for the Sethusamudram project, the controversy has not ended. The NEERI said that the proposed route will not trigger any environmental problem, and that 21 national marine parks that are situated in the general area will not be harmed.

Most of the opposition, however, centers on issues such as oil spills and pollution. Detractors point out that ships flush their wastes, unwanted cargo, and, accidentally, oil into the sea. In addition, oil slicks have begun to show up on India's west coast. As of now, ocean currents transport pollution and oil slicks south of Sri Lanka away from the peninsula, where they get diluted in the Indian Ocean.

Moreover, environmental activists point out that digging the ocean passage will stir up dust and toxins that lie beneath the ocean bed. They claim that the corals in the region have begun to die because of a modest rise in sea temperature. When the project is completed, the coastal currents will increase significantly, they say, and a systematic survey of the geology of the ocean bed under excavation is necessary.

There is a fear among some that an upsurge of coastal currents can lead to higher tides and more energetic ocean waves that will erode the coast. As a result, many of the harbors and coastal structures may become vulnerable, because they were designed based on present ocean dynamics.

At the international level, not much has been heard against the project. But the Tamil Tigers, which are seeking autonomy from Colombo, have little reason to like the project. A stronger Indian naval presence would completely cut off the Tigers' access to arms they obtain from southeast Asia. In fact, the Tigers are on the wane as the Indian Navy has begun to flex its muscles in the Andaman Sea.

The Opposition

Some point out that bringing the entire Bay of Bengal and the Andaman Sea all the way to the mouths of the Arabian Sea and the Indian Ocean is a policy laid out by New Delhi to contain China in that area. Since the late 1980s, New Delhi claims, Beijing has invested in naval bases to develop a safe line of energy supply from the Persian Gulf to the South China Sea. China has developed naval facilities on the Greater Cocos Island, which is part of the Andaman archipelago but belongs to Myanmar.

On Pakistan's Makran coast, China is building a dualpurpose naval facility in Gwador. China has access to the Iranian naval base in Bandar Abbas, located on the northern side of the Hormuz Strait in the Persian Gulf.

East of Gwador, China has reportedly negotiated a deal with the Maldives to build a base in Marao, one of the largest of Maldives' 1,192 islands. New Delhi claims that the base deal was finalized after two years of negotiations when Chinese Prime Minister Zhu Rongji visited Male on May 17, 2001 on his four-nation South Asian tour.

EIR November 11, 2005 Economics 65